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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Water Rights

KENT L. JONES
State Engineer/Division Director

March 11, 2013

Leon Paice and Floyd Yardley:

Enclosed are your annual assessments. I understand Leon has sold some water to the Yardleys, namely Water Rights 77-844, 845, 846, 847.

I have made adjustments on the Beaver Assessment billing to reflect changes for ownership on your respective distribution accounts. According to my calculations, Leon acct number 100179, has transferred .0173 units to Floyd's acct 100047 and I assigned this to Floyd's account and "moved" the associated water rights. Leon retains .0127 units for his account 100179, which makes Leon's account fit into the minimum assessment category.

Although I am able to transfer the units between the distribution accounts, this does not change the title ownership of the water until a **Report of Conveyance (ROC)** is submitted to the Division. The new owner should submit a completed ROC for the water transferred, to get the water right into his "new owner" name. This ROC document should be completed by a title professional to insure it is complete and will process through our system. In this case, Floyd should complete the title deed transfer of the water from Leon, however Leon may need to sign the ROC documents for Floyd. I have attached and information sheet regarding ROCs.

Thank you both for your attention in this matter. If I can be of further assistance please contact me by phone (801) 538-7430 at the mail address below.

Sincerely,

Mike Silva
Distribution Engineer

Enclosure

cc: Southwestern Regional office



UTAH DIVISION OF WATER RIGHTS

Procedures for Updating Water Right Ownership

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*If you are receiving this sheet with the yearly water system distribution assessment, you are NOT the current owner of record with the Division of Water Rights for this water right. Payments made to the distribution system and updates to the distribution database **will not update ownership** with the Division of Water Rights. If title to a water right needs to be updated, you must prepare and file a separate **Report of Water Right Conveyance**. Unless a valid Report of Water Right Conveyance has been filed with the State Engineer, ownership of a water right will be recognized in the name of the owner identified in the records of the Division of Water Rights. The payment of a Distribution Assessments does not guarantee that the water right of record is actually in your name, you are simply the responsible party for the assessment.*

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Section 73-1-10 of the Utah Code was amended by the 2000 Legislature to add new requirements for updating water right ownership on the records of the Division of Water Rights. The Division has also implemented administrative rules (R655-3) to supplement the statute. The process described below is based on the amended statute and the administrative rules. **These procedures relate to the conveyance of water rights NOT shares in a water company or distribution accounts on a river system.**

Water users desiring to update water right ownership on the Division of Water Right's records are required to submit a **Report of Water Rights Conveyance** prepared and signed by a qualified professional. The Report of Water Right Conveyance requires sufficient documentation presented in a standard statement format to demonstrate the chain of title connecting the owner shown on the Division's water right records to the person currently claiming ownership of all or a portion of the water right. There is no requirement for the Report of Water Right Conveyance form to be recorded with the local county where the water right is located. However the ROC must be submitted, processed and approved by the Division of Water Rights before the change of ownership takes place in the Water Rights record.

Professionals licensed in the fields listed below are approved to prepare or direct the preparation of and to certify Report of Water Right Conveyances:

- Attorneys licensed by the Utah State Bar
- Professional Engineers licensed to practice in Utah
- Licensed Title Insurance Agents
- Professional Land Surveyors licensed to practice in Utah

There are three situations where water users may prepare and submit a Report of Water Right Conveyance without the assistance of a professional. In the situations described below, water users are allowed to prepare and submit a Report of Water Right Conveyance without the assistance of a professional. In these instances, staff may be able to assist the water right owner in completing the Report of Water Right Conveyance form.

1. Simple water rights conveyances

- a. The deed conveys the entire water right and the deed specifically identifies the water right being conveyed by the State Engineer's water right number (for example 43-1638). A deed conveying more than one water right would be acceptable as long as it meets these two criteria.
- b. A deed conveying a portion of a water right would be acceptable if it conforms to the suggested Water Right Deed format as described in Administrative Rule R655-3.
- c. Water users may complete Reports of Conveyance, which cover several "generations" of deeds as long as the deeds comply with the requirements of either a. or b. above.

2. Marriage or divorce

In the case of the marriage or divorce of a water right owner, the owner's name could be changed from the "maiden name" to the "married name" or vice versa based on a copy of the marriage certificate or divorce

decree. The water right ownership could be updated to add or remove a spouse according to the procedure described in No. 1 above.

3. Death of the water right owner

In the case of the death of the water right owner where the right is held in joint tenancy, the ownership could be updated based on a death certificate to remove a deceased joint tenant. In situations where there is only one successor to the deceased, a Report of Conveyance could be prepared based on a probate document, which clearly defines the distribution of the estate.

In all other situations, a Report of Conveyance prepared and signed by or under the direct supervision of, and certified by a professional, is required. This includes any situation where the water rights transfer is silent on the deed (transferred by appurtenance), even when the transaction is very simple from the owner of record to the buyer who is requesting the update.

Listed below is a copy of Section 73-1-10 of the Utah Code. Further information regarding the Division's procedure for updating water right ownership, including a Report of Water Right Conveyance forms and Administrative Rule R655.3, can be found on our website: www.waterrights.utah.gov

Address changes for water rights can be submitted online. Under click "**Water Rights**" then "**Queries**", then use the "**Water Right Number**" or search for "**Name/Source**" to use a name to access a list of water right number. After the water right information is displayed in WRPRINT Water Right Info Viewer. Using the pull down under "**select related information**", Select "**Modify an Owners Address**" to access an on-line address change form. The online application information is processed by staff and a confirmation letter sent to the last address of record before the address is changed in the Division's records. Please allow 2-3 days for processing.

If you prefer to submit an address change request on paper, use the forms link to access the Address Change Request Form and deliver a completed copy with signatures it to the Division of Water Rights.

If you have additional questions, you can contact the Division of Water Rights at (801) 538-7240

UTAH CODE:

73-1-10. Conveyance of water rights -- Deed -- Exceptions -- Filing and recording of deed -- Report of water right conveyance.

(1) (a) A water right, whether evidenced by a decree, a certificate of appropriation, a diligence claim to the use of surface or underground water, or a water user's claim filed in general determination proceedings, shall be transferred by deed in substantially the same manner as is real estate.

(b) The deed must be recorded in the office of the recorder of the county where the point of diversion of the water is located and in the county where the water is used.

(c) A recorded deed of a water right shall from the time of its recording in the office of the county recorder constitute notice of its contents to all persons.

(2) The right to the use of water evidenced by shares of stock in a corporation shall be transferred in accordance with the procedures applicable to securities set forth in Title 70A, Chapter 8, Uniform Commercial Code - Investment Securities.

(3) (a) To update water right ownership on the records of the state engineer, a water right owner shall submit a report of water right conveyance to the state engineer.

(b) The report of water right conveyance shall be on forms provided by the state engineer.

(c) The report shall be prepared by:

(i) or prepared under the direction of and certified by, any of the following persons licensed in Utah:

(A) an attorney;

(B) a professional engineer;

(C) a title insurance producer; or

(D) a professional land surveyor; or

(ii) the water right owner as authorized by rule of the state engineer.

(d) The filing and processing of a report of water right conveyance with the state engineer is neither an adjudication of water right ownership nor an opinion as to title or validity of the water right.

(e) The state engineer shall adopt rules that specify:

(i) the information required in a report of water right conveyance; and

(ii) the procedures for processing the reports.